

Elbel and Jeri Weaver, interns in his Finance Committee office, be allowed floor privileges for the duration of the debate on S. 812, and all motions related to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Richard McKeon, a fellow in my office, be granted the privilege of the floor for the duration of the debate on prescription drugs.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE—REGISTRATION OF MASS MAILINGS

The filing date for 2002 second quarter mass mailings is July 25, 2002. If your office did no mass mailings during this period, please submit a form that states "none."

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, D.C. 20510-7116.

The Public Record office will be open from 8:00 a.m. to 6:00 p.m. on the filing date to accept these filings. For further information, please contact the Public Records office at (202) 224-0322.

MEASURE PLACED ON THE CALENDAR—S. 2

Mr. REID. Mr. President, it is my understanding that S. 2 is at the desk and is due for its second reading.

The PRESIDING OFFICER. The Senator is correct.

Mr. REID. I ask that S. 2 be read a second time, and then I object to any further proceedings at this time.

The PRESIDING OFFICER. The clerk will read the title of the bill for the second time.

The assistant legislative clerk read as follows:

A bill (S. 2) to amend title XVIII of the Social Security Act to provide for a medicare voluntary prescription drug delivery program under the medicare program, to modernize the medicare program, and for other purposes.

The PRESIDING OFFICER. Objection to further proceedings having been heard, the bill will be placed on the calendar.

ORDERS FOR WEDNESDAY, JULY 17, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m., Wednesday, July 17; that following the prayer and the pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the motion to proceed to S. 812 regarding affordable pharmaceuticals, under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of the senior Senator from Utah.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah.

MEDICARE PRESCRIPTION DRUG LEGISLATION

Mr. HATCH. Mr. President, I have heard my name being used a lot in this Chamber this afternoon, and I plan to make a comprehensive statement tomorrow that outlines my views on the Hatch-Waxman amendments contained in S. 812.

I might mention, I am very concerned about those amendments. I believe that the original Schumer-McCain bill was a bill that did not improve the Hatch-Waxman Act which was enacted in 1984. Of course, over the course of the last 18 years, it has been recognized as a very highly respected consumer protection law.

The reason is because that law has saved consumers between \$8 billion and \$10 billion every year since 1984—over the last 18 years. The reason it has saved them so much money is that it is a delicately balanced bill between the pioneer companies, that is, the large pharmaceutical companies, and the generic drug industry.

When we passed Hatch-Waxman, the generic industry had about 15 percent of the total drug business in this country. Today it has close to 50 percent. That is because of that delicate balance achieved through the Hatch-Waxman law. And I see that this underlying bill may very well disturb that delicate balance and disrupt a law that has worked well for consumers for many years.

I want to make sure that the bill approved by the Senate is a good bill, if, in the end if we are going to be amending the Hatch-Waxman Act. I put a lot of effort into that bill before it was passed in 1984.

It is an important law. It is a law that has really helped America. I have to say, if we disrupt that balance and we all of the sudden take away the incentives to put that \$30 billion a year into research and development costs to develop these lifesaving drugs, we will not have the drugs to put into generic form later. And, we could lose these businesses—they could all go offshore if we do not handle this exactly right.

So what has been in some measure demagogued today on the floor—if we do not watch that, we will wind up making questionable changes to a law that now saves the lives of millions of Americans and does so at affordable costs.

I will spend some time on that tomorrow because I think it needs a comprehensive discussion. I will say this: The underlying bill, what used to be Schumer-McCain to Kennedy-Edwards, has moved to a degree in the right direction but certainly not nearly enough. Frankly, I would like to make sure that the law bill that I put so much blood, sweat, and tears into over the years leading up to 1984 when it was passed, will not be disrupted because of politics on this floor, especially since that bill has worked so well for the American people.

My purpose this afternoon, however, is to discuss the Medicare prescription drug issue which we will be debating in the very near future. I have been working with four of my Senate colleagues—Senators GRASSLEY, JEFFORDS, BREAU, and SNOWE—for the last year on a Medicare reform and prescription drug bill. It is called the Tripartisan bill because it has Republicans, Democrats, and the sole Independent in the Senate.

This legislation, the 21st Century Medicare Act, better known as the Senate Tripartisan Medicare prescription drug proposal, was introduced yesterday after months and months of hard work. This bill was introduced because the five of us crossed party lines and worked together. It was introduced because all five of us want a Medicare prescription drug benefit to be signed into law this year. We are tired of waiting for legislation that we could have passed 2½, 3 years ago, but every time it is brought up, politics is played with this legislation rather than doing what is right for our senior citizens and others in dire need of this legislation.

Medicare beneficiaries deserve nothing less than to get it done this year, but others in this body, in my opinion, feel differently.

Here we are on the verge of considering Medicare prescription drug legislation on the Senate floor without the Finance Committee ever being even a small part of it. Now I heard comments made that the Finance Committee has gone back and forth with this for years. That is not true. This is the first time we have really had a chance of passing a bill through the Senate that I think could very easily be accepted by the House, or in a conference certainly basically accepted by the House and the Senate.

The Finance Committee members, under the leadership of Chairman MAX BAUCUS, have been meeting for weeks to try and draft a consensus Medicare prescription drug bill. But due to artificial deadlines imposed upon us by the powers that be, we are not going to be given an opportunity to even consider a Medicare prescription drug bill in the Finance Committee itself before the full Senate considers the Medicare drug legislation.

Why even have a Finance Committee—which everybody would acknowledge is one of the great committees in the United States Congress—

when bills that are under its jurisdiction are brought up on the floor without even a hearing or a markup?

There were no delays. We could have had this markup and we could have passed this bill out today. We could have done it last week if we had had a markup. Sadly, politics is dictating policy, and I find that completely unacceptable, especially when it involves an issue as important as Medicare prescription drug coverage.

By putting politics before policy, we are not doing what is in the best interest of our senior citizens and our citizens as a whole.

I have also heard comments today that this is being filibustered. Nobody wants to filibuster this bill. That is always an old wives' tale that comes up when you do not have good arguments on your side.

I would like to take this opportunity, though, to talk about the tripartisan bill. When drafting this legislation, we tried to reach out to everyone who has a stake in this issue. It has required many hours of meetings, meetings among ourselves, with our staffs, CBO, CMS, seniors groups, insurance providers, PBM representatives, technical experts, and other interested parties. Let me assure you this has been a unified effort, one which has required some give and some take from all of us.

I truly believe this tripartisan bill is, in fact, the only bill capable of passing not only the Senate but the Congress in 2002.

We have worked with CBO constantly in order to come up with an affordable solution, and CBO has told us that our bill will cost \$370 billion over 10 years. As far as I know, the Daschle-Graham-Miller bill does not have a CBO score, but I expect it to be extremely expensive. As a matter of fact, the Daschle-Graham-Miller bill, as I know it today, would be well over \$800 billion over 10 years, and it has a sunset provision. So this isn't even a permanent benefit. I know my seniors in Utah will be surprised to hear that we're even considering such a bill.

In addition, there are no sunsets within our bill. Our Tripartisan bill is a permanent solution, not a temporary one, and CBO informs us that once our bill is implemented fully, 99 percent of all seniors will have drug coverage, which is truly remarkable.

So, the question is, how does a temporary solution truly help seniors in the long run? I do not think it does. Our Tripartisan bill provides all Medicare beneficiaries with affordable prescription drug coverage because we let innovation and competition determine the prices, not of Government bureaucrats. That is how we keep prices for drugs competitive.

I do not think it is a good idea to let the Government set the price, which is what will happen if the Daschle-Graham bill becomes law, and I do not think it has a chance of becoming law. I do not think it will get the necessary votes to become law. But our bill

could, with honest decent work by all of us.

We also provide additional subsidies to low-income seniors so that they, too, can afford to pay for their drugs. I find it absolutely appalling that there are people in our country who have to choose between buying food and buying prescription drugs. The Tripartisan group's goal is to put an end to that and provide additional help to those seniors who really need it.

In fact, all seniors need it. For example, the 10 million beneficiaries with incomes below 135 percent of poverty will have 80 to 95 percent of the prescription drug costs covered by this plan, with absolutely no monthly premium. These seniors are exempt from the deductible and will pay well under \$5 for their brand name prescriptions and their generic prescriptions. Enrollees at this income level who reach the catastrophic coverage limit will have full protection against all drug costs, with no coinsurance.

We also take care of the 11.7 million lower income beneficiaries with incomes below 150 percent of the poverty level. Enrollees between 135 percent and 150 percent of the Federal poverty level will also receive a more generous Federal subsidy that on average lowers their monthly premiums to anywhere between 0 and \$24 a month on a sliding scale. It also more than halves the cost of their annual drug bills.

All other enrollees will have access to discounted prescriptions after reaching the \$3,450 benefit limit and a critically important \$3,700 catastrophic benefit, which protects seniors from high, out-of-pocket drug costs. This is hardly a doughnut hole. My friend and colleague Senator SNOWE refers to it as more of a bagel hole.

It is also important to note that 80 percent of Medicare beneficiaries will never experience a gap in coverage. As far as drug coverage is concerned, we let Medicare beneficiaries choose from at least two drug plans, allowing them to select a plan that suits their individual needs. Seniors are in charge, not the Federal Government.

The Daschle-Graham bill, on the other hand, has a one-size-fits-all drug plan that is offered to Medicare beneficiaries. That is the type of solution that will lead us down a dangerous path, and before you know it the Federal Government, not the private marketplace, will be setting drug prices. We need to avoid that scenario at all costs.

Finally, our plan gives seniors a choice of Medicare coverage. Seniors may remain in traditional Medicare or they may opt for the new, enhanced Medicare fee-for-service program which is designed to look more like private health insurance and less like a program that is stuck in the mid-1960s.

We all believe that Medicare needs to be improved. Medicare has hardly changed since it was first created in 1965 and Medicare needs to become a 21st century program. So our bill pro-

vides seniors with a choice in Medicare coverage. Beneficiaries may stay in traditional Medicare or they may opt for the new, enhanced fee-for-service Medicare plan.

I want to emphasize that we do not force seniors to enter into the new, enhanced fee-for-service plan. We just offer it to beneficiaries as an option. If Medicare beneficiaries want to stay in traditional Medicare, that is fine. Our bill allows them to do so. If they decide they do not like the new enhanced Medicare plan, they can switch back to traditional Medicare. We need to give seniors choices concerning their health care coverage. They need to be able to keep the Medicare benefits seniors have today, but seniors must also be given improved health care choices.

I emphasize, once again, that CBO tells us that should our bill become law, 99 percent of all Medicare beneficiaries will have drug coverage. That would be tremendous for this country. We ought to do it this year. We should not be playing politics with it. We should not be setting up the Senate so this bill fails, so one side or the other can claim the other side refused to pass a bill this year.

I believe providing Medicare beneficiaries with their choice of coverage is key, and the Tripartisan group worked together for months to ensure that seniors get quality drug coverage for an affordable price.

I will conclude by saying we must make 2002 the year that Medicare is brought into the 21st century. This is the year that Medicare reform and prescription drug legislation should be passed by the Congress and signed into law. Our bill does more than just provide drug coverage. It includes Medicare reforms. It provides assistance to Medicare Choice.

We can start this process by allowing the Senate Finance Committee to do its job and consider Medicare prescription drug legislation before it is debated on the Senate floor. Bypassing the Senate Finance Committee and going directly to the Senate floor sends a message to the American people that we are more interested in playing political games than letting the legislative process work.

We need to have a markup in the Senate Finance Committee as soon as possible. We have Medicare bills to consider, both the Graham-Miller bill and the Tripartisan bill. We should have our Senate floor debate after the Finance Committee has approved legislation. It should not be the other way around. I believe Senators GRAHAM and MILLER are very sincere, fine people. They are good Senators. They believe in what they are doing. But if they do, we ought to have it come up in committee and vote. We are willing to have the Tripartisan bill voted upon. We have at least 12 votes out of 21 on the committee. That is probably the reason why the majority leader is determined not to bring up these matters in the Finance Committee.

I am hopeful we will be able to work this out and provide affordable prescription drug coverage for seniors through legislation considered by the Senate Finance Committee. This is a top priority of mine and many of my colleagues in the Senate. We have been hearing from seniors for years about their need for Medicare prescription drug benefits. Why are we playing political games with such an important issue?

I encourage my colleagues to work with us, to work with the Tripartisan group and others. I believe there is a majority, a significant majority, if we were allowed to do what is right, who would vote for the Tripartisan bill so seniors would finally get what they truly deserve, prescription drug coverage for the Medicare Program and bring Medicare into the 21st century once and for all.

Medicare beneficiaries deserve that opportunity. We owe it to them. This bill would allow that to happen.

I have been told this debate will take 2 weeks. I don't know why it has to take 2 weeks. We have three, four, or five different plans. We can vote on them. I personally hope we can vote on them. I believe if we are allowed to vote on them and people will get rid of the political aspects, we will pass a bill that will work this year for the benefit of seniors in the years to come. The Tripartisan bill does not have a sunset. The Tripartisan bill would continue on forever as far as we are concerned, to the benefit of all seniors in this country. I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M.
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands

in adjournment until 9:30 a.m., Wednesday, July 17, 2002.

Thereupon, the Senate, at 7:33 p.m. adjourned until Wednesday, July 17, 2002, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 16, 2002:

SECURITIES AND EXCHANGE COMMISSION

ROEL C. CAMPOS, OF TEXAS, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR A TERM EXPIRING JUNE 5, 2005, VICE ISAAC C. HUNT, JR.

DEPARTMENT OF STATE

ANTONIO O. GARZA, JR., OF TEXAS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO MEXICO.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS ASSISTANT COMMANDANT OF THE MARINE CORPS AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 5044:

To be general

LT. GEN. WILLIAM L. NYLAND, 0000